

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY TUNIS

AMCONSUL CASABLANCA

USINT ALGIERS

INFO AMEMBASSY RABAT

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E.O.11652:NA

TAGS: BEXP MO AG TS

SUBJECT: OIM MARKET RESEARCH: TELECOMMUNICATION AND
SCIENTIFIC EQUIPMENT

REF: A. CASABLANCA 665; B. ALIERS 1692; C. TUNIS 4988

1. BASED ON SEVERAL PRIOR TUNIS REFS AND CASABLANCA O.M.
DATED MARCH 28, 1974 WE BELIEVE BEEGI FULLY INFORMED OF
CONDITIONS AND LIMITATIONS ON EFFECTING PAYMENT IN U.S.
OWNED SFC TUNISIAN DINARS. THUS, WE VIEW ANY MISUNDERSTANDING
OF PAYMENT TERMS BY BEEGI, INCLUDING HIS PRESENT DIFFICULT-
IES IN RECEIVING PAYMENT, PROBLEM OF HIS OWN MAKING AND
NOT RPT NOT CAUSE FOR HIS FAILURE TO COMPLETE CONTRACT.

2. WE UNDERSTAND PRESENT SITUATION TO BE THAT CASABLANCA
HAS AUTHORIZED PARTIAL PAYMENT FOR WORK COMPLETED AND
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HAS PHYSICAL POSSESSION OF CHECK IN AMOUNT OF TUNISIAN

DINARS 1484.4 WHICH REPRESENTS EITHER 30 PERCENT MID-TERM PAYMENT FOR ENTIRE TWO-COUNTRY, FOUR-STUDY RESEARCH CONTRACT OR 60 PERCENT OF COMPLETED MOROCCO COUNTRY PACKAGE, ALONE. REF(C) INDICATES, HOWEVER, THAT CHECK CANNOT BE DELIVERED TO BEEGI IN MOROCCO AND THAT BEEGI CAN ONLY RECEIVE AND CASH CHECK IN TUNISIA. REF (A) INDICATES BEEGI WAS TOLD AND IS AWARE THAT CONDITION OF PAYMENT IS BEEGI'S ACCEPTANCE OF CHECK IN TUNISIA. ON BASIS FOREGOING, BELIEVE USG HAS SATISFIED CONTRACTUAL OBLIGATION TO MAKE PAYMENT AVAILABLE TO BEEGI; RESPONSIBILITY FOR EFFECTING THIS PAYMENT IN ACCORDANCE WITH TUNISIAN GOVERNMENT REGULATIONS AND USG/GOT AGREEMENTS ON USE OF SFC NOW LIES WITH BEEGI.

3. GIVEN BEEGI'S PRECARIOUS FINANCIAL SITUATION DESCRIBED REF (A), WE DOUBT BEEGI CAPABLE OF CONDUCTING ALGERIAN COUNTRY PACKAGE AND BELIEVE BEEGI IS UNLIKELY TO PROCEED TO FULFILL ALGERIAN PORTION OF CONTRACT. ACCORDINGLY WE PROPOSE FOLLOWING PROCEDURE, CONSIDERING OUR CONTINUED NEED FOR ALGERIAN RESEARCH:

(A) TERMINATE CONTRACT WITH BEEGI EITHER ON BASIS OF DEFAULT (IF THIS TECHNICALLY ENTAILED) OR FOR CONVENIENCE OF GOVERNMENT. AS SETTLEMENT PURSUANT TO TERMINATION WE WOULD BE PREPARED TO APPROVE MAXIMUM PAYMENT TO BEEGI OF TUNISIAN DINARS 2,474, REPRESENTING TOTAL AMOUNT DUE FOR MOROCCO COUNTRY PACKAGE. (THIS IS APPROXIMATELY TUNISIAN DINARS 990 IN ADDITION TO CHECK ALREADY EXECUTED IN AMOUNT DINARS 1,484.4).

(B) UNDERTAKE TO NEGOTIATE NEW CONTRACT WITH TUNISIAN COMPANY FOR ALGERIA COUNTRY PACKAGE, WITH PAYMENT IN TUNISIAN DINARS.

TERMINATION OF BEEGI CONTRACT APPEARS ONLY RECOURSE. PARTICULARLY IN ORDER TO INITIATE TIMELY NEW CONTRACT WITH TUNISIAN COMPANY FOR ALGERIA RESEARCH. (BEFORE PROCEEDING WITH ABOVE SCENARIO, WE REQUEST JUDGEMENTS FROM CASABLANCE/RABAT AND TUNIS REGARDING PROPOSAL.)

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RMFORR CASABLANCA/RABAT: A) DO YOU SEE ANY ALTERNATIVE TO TERMINATION OF BEEGI CONTRACT?

B) ON WHAT GROUNDS SHOULD THE CONTRACT BE TERMINATED?

C. ARE THERE ISSUES/PROBLEMS IN TERMINATION THAT WE MAY NOT BE RECOGNIZING?

D. PLEASE POUCH ASAP ADDITIONAL COPY BEEGI CONTRACT
TO COMMERCE, ATTN: CAGNE/246; JENSEN

E) FINAL REPORT ON MOROCCO COUNTRY PACKAGE IS OVERDUE
AND SHOULD BE REQUESTED FROM BEEGI.

5. FOR TUNIS: REQUEST POST OBTAIN READING FROM TRIKI OR
OTHER TUNISIAN MARKET RESEARCH COMPANY WHETHER IT WOULD
BE WILLING UNDERTAKE ALGERIA COUNTRY PACKAGE IN NEAR
FUTURE. AT THIS TIME DO NOT SOLICIT FORMAL BIDS.
SOLICITATION OF BIDS, IF NECESSARY, AND AWARD OF CONTRACT
MUST AWAIT APPROVAL ABOVE SCENARIO FROM OTHER POSTS
AND BUDGET AUTHORIZATION FROM COMMERCE. (TRIKI ORIGINALLY
BID DINARS 2,120 FOR ALGERIA RESEARCH.)

PLEASE ADVISE WHETHER NEW CONTRACT FOR EXPENDITURE
OF SFC DINARS MIGHT NECESSITATE NEW GOT APPROVAL AND
PERHAPS DELAY. IN THIS REGARD, MIGHT PREVIOUS GOT APPROVAL
OF TRIKI-CONDUCTED RESEARCH IN TUNISIA BE CONSIDERED
SUFFICIENT APPROVAL WITH WHICH TO AWARD TRIKI NEW RESEARCH
CONTRACT FOR ALGERIA? IN ANY CASE, POST SHOULD MAKE CLEAR
TO ANY CONTRACTOR THAT, IF AWARDED NEW CONTRACT FOR
ALGERIA RESEARCH, FOREIGN EXCHANGE COSTS FOR WORK IN
ALGERIA MUST BE OBTAINED FROM CONTRACTOR'S OWN FINANCIAL
RESOURCES OTHER THAN SFC-DINARS.

6. FOR ALGIERS: IF POST FORESEES DIFFICULTY IN AWARDING
NEW CONTRACT FOR ALGERIAN RESEARCH TO TUNISIAN COMPANY,
ADVISEM POST SHOULD UNDERSTAND THAT, SHOULD UNDUE
DELAY BE ENCOUNTERED IN LAUNCHING CONTRACTED RESEARCH,
09 5-CONDUCTED RESEARCH IN TELECOMMUNICATION EQUIPMENT
WILL BECOME NECESSARY IN SUPPORT OF 1975 ALGIERS
FAIR AW WELL AS BACKUP FOR JUNE 1975 TECHNICAL SALES
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SEMINAR IN COMMUNICATION EQUIPMENT. KISSINGER

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